

## Message Text

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PAGE 01     PRETOR 04110 191559Z  
ACTION AF-10

INFO OCT-01 IO-13 ISO-00 CIAE-00 DODE-00 PM-05 H-01  
   INR-10 L-03 NSAE-00 NSC-05 PA-01 SP-02 SS-15  
   ICA-11 TRSE-00 OMB-01 ABF-01 COME-00 EB-08 LAB-04  
   SIL-01 /092 W  
          -----096009 201347Z /44/43

R 191536Z JUL 78  
FM AMEMBASSY PRETORIA  
TO SECSTATE WASHDC 1795  
INFO AMCONSUL CAPE TOWN  
AMCONSUL DURBAN  
AMCONSUL JOHANNESBURG  
USMISSION USUN NEW YORK

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DEPT PASS ICA

E.O. 11652: N/A  
TAGS: ELAB, SF  
SUBJ: COMPARISON OF U.S. WAGES WITH WAGES PAID BY  
      U.S. FIRMS IN SOUTH AFRICA

1. PRO-GOVERNMENT DAILY, "THE CITIZEN", CONTAINS LENGTHY  
EXTRACT FROM SPEECH BY ROBERT O'BRIEN, PRESIDENT OF MOORE  
MCCORMACK LINES AT RECENT SA FOREIGN TRADE ORGANIZATION  
MEETING IN HOUSTON. REFERENCE TO SPEECH ALSO APPEARED  
IN OTHER SA NEWSPAPERS. SPEECH CONTAINS REMARKS ABOUT  
SA'S STRATEGIC SITUATION, MINERAL WEALTH, IMPROVEMENT  
IN STATUS OF BLACKS, ETC. IT ALSO CONTAINS STATEMENT  
THAT "US STATE DEPARTMENT SOME YEARS AGO RECOMMENDED  
THAT AMERICAN EMPLOYERS IN SA SHOULD NOT PAY THEIR  
WORKERS LESS THAN \$150 A MONTH....SUBSEQUENT INQUIRIES  
REVEALED THAT 24 MILLION AMERICANS EARN LESS THAN THAT."

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2. FOREGOING STATEMENT SEEMS IMPLAUSIBLE TO US AND IS  
REMINISCENT OF STATEMENTS BY PRIME MINISTER VORSTER  
LAST YEAR (77 PRETORIA 4566) THAT MORE THAN 20 MILLION  
AMERICANS EARN LESS THAN \$120 A MONTH. IT COULD  
ARISE FROM A COMPLETE MISINTERPRETATION OF US STATISTICS  
SHOWING THAT 25 MILLION AMERICANS WERE BELOW POVERTY  
LINE IN 1976, DEFINED AS ANNUAL INCOME OF \$5,815 FOR

A FAMILY OF FOUR.

3. WE HAVE TRIED TO SET RECORD STRAIGHT IN RESPONSE TO ONE PRESS INQUIRY ABOUT THIS REMARK, BASED ON FACT THAT MINIMUM WAGE IS NOW, WE UNDERSTAND, \$2.65 AN HOUR AND AVERAGE WEEKLY NON-FARM EARNINGS ARE \$200. DEPARTMENT MAY ALSO WISH TO DRAW ATTENTION OF MOORE MCCORMACK TO THE FACTS OF SITUATION AND INQUIRE WHETHER O'BRIEN WAS MISQUOTED OR MISINFORMED.

4. EMPLOYMENT PRACTICES STATEMENT ISSUED BY STATE DEPARTMENT IN 1973 SAYS THAT A REASONABLE BLACK WAGE GOAL IN TERMS OF PRODUCTIVITY AND THE CAPABILITIES OF THE SA ECONOMY WOULD BE ABOVE THE MINIMUM EFFECTIVE LEVEL WHICH WAS \$140 A MONTH AT 1973 EXCHANGE RATES. EQUIVALENT FIGURE FOR APRIL 1978 AS CALCULATED BY INSTITUTE OF PLANNING RESEARCH AT UNIVERSITY OF PORT ELIZABETH IS R232 OR \$257.

5. IN ITS SELF-JUSTIFICATION EFFORTS, WE CAN EXPECT THE SAG TO PROPAGATE O'BRIEN'S ASSERTIONS. WE WOULD SUGGEST THAT ICA CONSIDER, FOR USE HERE AND ELSEWHERE IN AFRICA, PREPARATION AND DISSEMINATION OF DATA FOR REBUTTING BOTH PUBLICLY AND PRIVATELY SUCH MISINFORMATION AND DISTORTIONS. IT IS ESPECIALLY IMPORTANT TO THE SUPPORT OF OUR ENCOURAGEMENT OF AMERICAN EMPLOYERS LIMITED OFFICIAL USE

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IN SOUTH AFRICA TO ADOPT EQUITABLE AND ADEQUATE WAGE POLICIES.  
EDMONDSON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** WAGE RATES  
**Control Number:** n/a  
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**Draft Date:** 19 jul 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
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**Status:** NATIVE  
**Subject:** COMPARISON OF U.S. WAGES WITH WAGES PAID BY U.S. FIRMS IN SOUTH AFRICA  
**TAGS:** ELAB, SF  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
Sheryl P. Walter  
Declassified/Released  
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20 Mar 2014  
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